

ESHB 1903 - S COMM AMD  
By Committee on Ways & Means

ADOPTED AS AMENDED 04/11/2005

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature has and continues to  
4 recognize the vital importance of economic development to the health  
5 and prosperity of Washington state as indicated in RCW 43.160.010,  
6 43.155.070(4)(g), 43.163.005, and 43.168.010. The legislature finds  
7 that current economic development programs and funding, which are  
8 primarily low-interest loan programs, can be enhanced by creating a  
9 loan and grant program to assist political subdivisions with public  
10 infrastructure projects that directly stimulate community and economic  
11 development by supporting the creation of new jobs or the retention of  
12 existing jobs.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.160 RCW  
14 to read as follows:

15 (1) The job development fund program is created to provide loans  
16 and grants to political subdivisions of the state for public  
17 infrastructure projects that will stimulate job creation or assist in  
18 job retention. Grants may be awarded only when, and to the extent  
19 that, a loan is not reasonably possible, given the limited resources of  
20 the political subdivision and the board has made a finding that  
21 financial circumstances require grant assistance to enable the project  
22 to move forward. The program is to be administered by the board. The  
23 board shall establish a competitive process to request and prioritize  
24 proposals and make loan and grant awards.

25 (2) For the purposes of this act:

26 (a) "Public infrastructure projects" has the same meaning as  
27 "public facilities" as defined in RCW 43.160.020(11); and

28 (b) "Political subdivision" means a county, city, port district, or  
29 other special purpose district, excluding a school district.

1 (3) The board shall conduct a statewide request for project  
2 applications from political subdivisions. The board shall apply the  
3 following criteria for evaluation and ranking of applications:

4 (a) The relative benefits provided to the community by the jobs the  
5 project would create, including, but not limited to: (i) The total  
6 number of jobs; (ii) the total number of full-time, family wage jobs;  
7 (iii) the unemployment rate in the area; and (iv) the increase in  
8 employment in comparison to total community population;

9 (b) The present level of economic activity in the community and the  
10 existing local financial capacity to increase economic activity in the  
11 community;

12 (c) The rate of return of the state's investment, that includes the  
13 expected increase in state and local tax revenues associated with the  
14 project;

15 (d) The lack of another timely source of funding available to  
16 finance the project which would likely prevent the proposed community  
17 or economic development, absent the financing available under this act;

18 (e) The ability of the project to improve the viability of existing  
19 business entities in the project area;

20 (f) Whether or not the project is a partnership of multiple  
21 jurisdictions;

22 (g) Demonstration that the requested assistance will directly  
23 stimulate community and economic development by facilitating the  
24 creation of new jobs or the retention of existing jobs; and

25 (h) The availability of existing assets that applicants may apply  
26 to projects.

27 (4) Job development fund program loans and grants may only be  
28 awarded to those applicants that have entered into or expect to enter  
29 into a contract with a private developer relating to private investment  
30 that will result in the creation or retention of jobs upon completion  
31 of the project. Job development fund program loans and grants shall  
32 not be provided for any project where:

33 (a) The funds will not be used within the jurisdiction or  
34 jurisdictions of the applicants; or

35 (b) Evidence exists that the project would result in a development  
36 or expansion that would displace existing jobs in any other community  
37 in the state.

1 (5) The board shall, with the joint legislative audit and review  
2 committee, develop performance criteria for each loan and grant and  
3 evaluation criteria to be used to evaluate both how well successful  
4 applicants met the community and economic development objectives stated  
5 in their applications, and how well the job development fund program  
6 performed in creating and retaining jobs.

7 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.160 RCW  
8 to read as follows:

9 The maximum loan or grant from the job development fund for any one  
10 project is ten million dollars. Grant and loan assistance from the job  
11 development fund may not exceed thirty-three percent of the total cost  
12 of the project. The nonstate portion of the total project cost may  
13 include cash, the value of real property when acquired solely for the  
14 purpose of the project, and in-kind contributions.

15 **Sec. 4.** RCW 43.155.050 and 2001 c 131 s 2 are each amended to read  
16 as follows:

17 (1) The public works assistance account is hereby established in  
18 the state treasury. Money may be placed in the public works assistance  
19 account from the proceeds of bonds when authorized by the legislature  
20 or from any other lawful source. Money in the public works assistance  
21 account shall be used to make loans and to give financial guarantees to  
22 local governments for public works projects. Moneys in the account may  
23 also be appropriated to provide for state match requirements under  
24 federal law for projects and activities conducted and financed by the  
25 board under the drinking water assistance account. Not more than  
26 fifteen percent of the biennial capital budget appropriation to the  
27 public works board from this account may be expended or obligated for  
28 preconstruction loans, emergency loans, or loans for capital facility  
29 planning under this chapter; of this amount, not more than ten percent  
30 of the biennial capital budget appropriation may be expended for  
31 emergency loans and not more than one percent of the biennial capital  
32 budget appropriation may be expended for capital facility planning  
33 loans.

34 (2) The job development fund is hereby established in the state  
35 treasury. Money from the public works assistance account may be placed  
36 in the job development fund only after appropriation. Money in the job

1 development fund may be used solely for job development fund program  
2 grants or loans and administrative expenses related to the  
3 administration of the job development fund program created in section  
4 2 of this act. Moneys in the job development fund may be spent only  
5 after appropriation. The board shall prepare a list of proposed  
6 projects that totals fifty million dollars as part of the department's  
7 2007-09 biennial budget request.

8 NEW SECTION. Sec. 5. (1) The joint legislative audit and review  
9 committee shall conduct an inventory of all state public infrastructure  
10 programs and funds. The inventory shall identify: The public  
11 infrastructure state programs and funds and the purposes each serve;  
12 how the program or fund is implemented; the types of public  
13 infrastructure projects supported by the program or fund; the dollar  
14 amount of the projects funded by each program or fund; the balance of  
15 a fund, if applicable; and the geographic distribution of projects  
16 supported by a program or fund. Where applicable, the inventory shall  
17 identify overlaps or gaps in types of public infrastructure projects  
18 supported through state programs or funds. Where appropriate, the  
19 inventory shall evaluate the return on investment for economic  
20 development infrastructure programs. The inventory shall be delivered  
21 to the appropriate committees of the legislature by December 1, 2005.

22 (2) By September 1, 2010, the joint legislative audit and review  
23 committee shall submit a report on the outcomes of the job development  
24 fund program to the appropriate committees of the legislature. The  
25 report shall apply the performance and evaluation criteria developed by  
26 the community economic revitalization board and the committee and shall  
27 include a project by project review detailing how the funds were used  
28 and whether the performance measures were met. The report shall also  
29 include impacts to the availability of low-interest and interest-free  
30 loans to local governments under RCW 43.155.055, 43.155.060,  
31 43.155.065, and 43.155.068, resulting from appropriations to the job  
32 development fund. Information in the report shall include, but not be  
33 limited to:

34 (a) The total funds appropriated from the public works assistance  
35 account to the job development account;

36 (b) The ratio of loan requests submitted to the public works board

1 as compared to actual money available for loans in the public works  
2 assistance account since the effective date of this act;

3 (c) The total amount that would have been available for loans from  
4 the public works assistance account had this act not taken effect;

5 (d) Identification of specific loan requests that would have  
6 qualified for funding under chapter 43.155 RCW had money been available  
7 in the public works assistance account;

8 (e) Assessment of increased costs for otherwise qualifying projects  
9 where local governments were compelled to seek alternate funding  
10 sources.

11 NEW SECTION. **Sec. 6.** This act expires June 30, 2011.

12 NEW SECTION. **Sec. 7.** If any provision of this act or its  
13 application to any person or circumstance is held invalid, the  
14 remainder of the act or the application of the provision to other  
15 persons or circumstances is not affected."

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16 On page 1, line 1 of the title, after "fund;" strike the remainder  
17 of the title and insert "amending RCW 43.155.050; adding new sections  
18 to chapter 43.160 RCW; creating new sections; and providing an  
19 expiration date."

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